

Message Text

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ACTION OES-07

INFO OCT-01 NEA-10 ISO-00 FEA-01 ACDA-12 CIAE-00
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PM-05 /099 W

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O R 150337Z DEC 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC IMMEDIATE 5890
INFO AMEMBASSY KATHMANDU

C O N F I D E N T I A L SECTION 1 OF 4 TEHRAN 11031

KATHMANDU FOR AMB SULLIVAN

DEPT ALSO PASS ACDA DO AND NRC

E.O. 11652: GDS
TAGS:TECH ENRG MNUC IR
SUBJ: NEGOTIATIONS WITH GOI CONCERNING NUCLEAR COOPERATION

1. USG TEAM (NOSENZO, SIEVERING, BETTAUER, BRUSH AND CARLETON)
MET WITH AEOI OFFICIALS (MANZOUR AND TABOURI) DEC 13-14. DISPO-
SITION OF SPENT FUEL CONTINUED TO BE KEY ISSUE, WITH QUESTION BEING
RAISED AS TO HOW "MOST FAVORED NATION" TREATMENT WOULD APPLY TO
THIS ISSUE. USG TEAM PROVIDED, ON AD REFERENDUM BASIS, ADDITIONAL
PARA FOR NOTE ON SPENT FUEL DISPOSITION WHICH WE BELIEVE SHOULD
MEET GOI CONCERNS AND IS CONSISTENT WITH US POLICY. RETRANSFER
ISSUE RAISED IN TEHRAN 10733 APPEARED BY FAR LESS IMPORTANT,
WITH INDICATION BY MANZOUR IT WOULD DISAPPEAR IF BASIC ISSUE WAS
SOLVED. IN ORDER TO PUT BALL INTO GOI COURT, WE PROVIDED GOI A
LETTER DESCRIBING CHANGES, TRANSMITTING REVISED TEXT AND ASKING
FOR EARLY RESPONSE. TEXTS OF LETTER AND OF REVISED VERSION OF DRAFT
NOTE ARE TRANSMITTED BELOW. NO CONSEQUENTIAL CHANGES WERE
MADE IN TEXT OF DRAFT AGREEMENT EXCEPT THOSE INDICATED
IN LETTER (REVISED TEXT OF
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AGREEMENT PROVIDED GOI IS BEING CARRIED BACK TO WASHINGTON
FOR DISTRIBUTION BY TEAM). LETTER AND REVISED TEXT WERE DISCUSSED
AT LAST SESSION DEC 14. MANZOUR SAID THEY REPRESENTED MAJOR STEP
FORWARD AND INDICATED THEY WOULD BE CONSULTING WITH ETEMAD.
IRANIAN SIDE THEN SUMMARIZED NUMBER OF AREAS WHERE DIFFERENCES
STILL REMAIN AND URGED THAT WE BOTH CONSIDER HOW THESE MIGHT BE
RESOLVED. SOME OF THESE ISSUES APPEAR MINOR; OTHERS CENTERED ON

PROVISIONS PERMITTING US UNILATERAL ACTIONS AS RESULT OF FUTURE US DETERMINATIONS OR REGULATIONS OR LEGISLATION. COMMENT: MUCH OF THIS APPEARED TO BE CHAFF PUT FORWARD WHILE GOI DETERMINES WHETHER OR NOT IT IS WILLING TO REACH AGREEMENT BASED ON PROPOSAL TO RESOLVE MOST FAVORED NATION/FUEL DISPOSITION ISSUE. END COMMENT. DCM WILL FOLLOW-UP WITH PRIMIN ON KEY ISSUE AS SOON AS WASHINGTON HAS APPROVED REVISED TEXT TO SEE IF GOI PREPARED TO REACH AGREEMENT ON THIS BASIS PRIOR TO PRESIDENTIAL VISIT.

2. BEGIN TEXT OF LETTER: DEAR MDR MANZOUR: DURING OUR DISCUSSION WITH YOU ON DECEMBER 12 AND 14, 1977, AT TEHRAN, CONCERNING THE PROPOSED AGREEMENT FOR COOPERATION ON THE PEACEFUL USES OF NUCLEAR ENERGY BETWEEN IRAN AND THE U.S., THE IRANIAN SIDE RAISED A NUMBER OF QUESTIONS AND CONCERNS. THE PURPOSE OF THIS LETTER IS TO EXPLAIN AND TRANSMIT CERTAIN TEXTUAL CHANGES WHICH ARE PROPOSED FOR THE DRAFT AGREEMENT IN RESPONSE TO THESE QUESTIONS AND CONCERNS. A COPY OF THE DRAFT AGREEMENT AND NOTE REFLECTING THESE CHANGES IS ATTACHED. (PARAGRAPH). YOU INDICATED THAT IRAN WISHES TO BE ASSURED THAT THE AGREEMENT (AND ITS MANNER OF IMPLEMENTATION) WILL NOT RESULT IN IRAN'S BEING TREATED IN A MANNER LESS ADVANTAGEOUS THAN THE TREATMENT AFFORDED ANY OTHER NATION BY THE U.S. IN EXERCISING ITS RIGHTS UNDER ANY U.S. CIVIL NUCLEAR AGREEMENT. IN THIS REGARD, AN ISSUE OF MAJOR IMPORTANCE FOR IRAN IS WHETHER THE AGREEMENT WILL ASSURE IRAN SUFFICIENT FLEXIBILITY FOR DISPOSITION OF SPENT FUEL AT SUCH TIME AS IRAN MAY HAVE A NEED THEREFOR. THE U.S. HAD PREVIOUSLY PROPOSED A SERIES OF OPTIONS AS INDICATED IN THE ATTACHED

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DRAFT NOTE. IN ADDITION, BASED ON RECENT DISCUSSIONS IN WASHINGTON BETWEEN HIS IMPERIAL MAJESTY AND PRESIDENT CARTER, THE DRAFT NOTE WAS MODIFIED TO PROVIDE FOR A REVIEW OF THESE OPTIONS IN 1985. (PARAGRAPH). IN AN EFFORT TO MEET THESE CONCERNS, THE U.S. SIDE PROPOSES TWO TEXTUAL MODIFICATIONS. FIRST, THE LAST SENTENCE OF THE SEVENTH PARAGRAPH OF THE DRAFT NOTE WOULD BE MOVED TO THE END OF THE THIRD PARAGRAPH IN ORDER TO CLARIFY THAT "MOST FAVORED NATION" CONSIDERATION FOR IRAN APPLIES TO ALL PROVISIONS OF THE AGREEMENT. SECOND, A NEW PARAGRAPH WOULD BE ADDED FOLLOWING PARAGRAPH 9 OF THE NOTE TO SPECIFICALLY INDICATE HOW "MOST FAVORED NATION" TREATMENT WOULD BE APPLIED WITH RESPECT TO SPENT FUEL DISPOSITION. THESE PROPOSALS ARE PROVIDED AD REFERENDUM MUST BE APPROVED BY OUR PRINCIPALS, WHICH WE WILL SEEK UPON OUR RETURN TO WASHINGTON. WE WOULD APPRECIATE RECEIVING YOUR EARLY VIEWS AS TO

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 5891

INFO AMEMBASSY KATHMANDU

C O N F I D E N T I A L SECTION 2 OF 4 TEHRAN 11031

KATHMANDU FOR AMB SULLIVAN

DEPT ALSO PASS ACDA DO AND NRC

WHETHER THEY FORM A BASIS FOR AGREEMENT ON THESE TWO POINTS.
(PARAGRAPH). IN ADDITION TO THE FOREGOING, YOU RAISED A NUMBER OF
OTHER MATTERS, SEVERAL OF WHICH ARE DISCUSSED BELOW. FIRST, YOU
QUESTIONED THE INCLUSION OF SUBPARAGRAPHS 1(F) AND (G) OF ARTICLE
11 OF THE DRAFT AGREEMENT. YOU NOTED THAT WHILE IRAN HAD DECIDED
AS A MATTER OF POLICY NOT TO DO REPROCESSING IN IRAN INCLUSION OF
PROVISIONS IN THE AGREEMENT FORECLOSING THIS OPTION REPRESENTED
IN YOUR VIEW AN INFRINGEMENT ON IRAN'S SOVEREIGNTY. WE EXPLAINED
THAT PENDING U.S. NON-PROLIFERATION LEGISLATION WOULD CALL FOR
A TERMINATION OF U.S. NUCLEAR EXPORTS TO NATIONS WHICH
ENGAGE IN ACTIVITIES DESCRIBED IN THOSE SUBPARAGRAPHS, WITH THE
POSSIBILITY THAT THE PRESIDENT COULD "WAIVE" SUCH A TERMINATION.
HOWEVER, SINCE THE PENDING LEGISLATION DOES NOT REQUIRE THE INC-
LUSION OF THESE PROVISIONS IN THE AGREEMENT ITSELF, WE PROPOSED
THAT THEY BE ELIMINATED WITH THE UNDERSTANDING THAT, SINCE U.S.
EXPORTS TO IRAN MUST COMPLY WITH APPLICABLE U.S. LEGISLATION (ARTICLE
1), SUCH PROVISIONS WOULD BE IMPLICIT IN U.S. COOPERATION UNDER
THE AGREEMENT. (PARAGRAPH) IRAN REQUESTED AND WE AGREED THAT THE
TENTH PARAGRAPH OF THE NOTE BE MODIFIED BY DELETING THE PHRASE "AT
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THAT TIME" TO AVOID ANY UNINTENDED RESTRAINTS UPON THE TIMING OF
THE CONTEMPLATED CONSULTATION. (PARAGRAPH) WE SUGGESTED SEVERAL
OTHER TEXTUAL CHANGES AS REFLECTED IN THE ATTACHMENT AND POINT
OUT CERTAIN IMPORTANT FEATURES OF THE AGREEMENT AND NOTE.
ALTHOUGH MOST OF THESE ARE CLARIFYING IN NATURE, TWO DESERVE
SPECIFIC MENTION. FIRST, WE POINT OUT THAT PARAGRAPH 2 OF ARTICLE

4 WOULD PERMIT IRAN TO RECEIVE FROM THE U.S. LOW ENRICHED URANIUM FOR THE PERFORMANCE IN IRAN OF CONVERSION OR FABRICATION SERVICES AND SUBSEQUENT USE IN IRAN OR TRANSFER TO ANOTHER RECIPIENT PURSUANT TO PARAGRAPH 2 OF ARTICLE 5M THE OTHER CHANGES IN ARTICLE 4 WERE SUGGESTED IN ORDER TO INCREASE THE FLEXIBILITY TO PERMIT ADDITIONAL TRANSFERS OF SPECIAL NUCLEAR MATERIAL UNDER THE AGREEMENT AS THE PARTIES MAY AGREE. (PARAGRAPH) SECOND, WE NOTED THAT THE REVISION TO PARAGRAPH 6 OF ARTICLE 9 WAS INTENDED TO CLARIFY THAT REPORTS TO THE U.S. ON THE STATUS OF IRANIAN INVENTORIES APPLY ONLY TO US-SUPPLIED MATERIAL, AND MATERIAL DERIVED FROM U.S.-SUPPLIED MATERIAL OR EQUIPMENT. (PARAGRAPH) WE SINCERELY HOPE THAT THESE ADDITIONS AND CLARIFICATIONS PERMIT THE EARLY CONCLUSION OF OUR AGREEMENT AND LOOK FORWARD TO YOUR EARLY RESPONSE. SINCERELY, LOUIS V. NOSENZO, DEPUTY ASSISTANT SECRETARY OF STATE. END TEXT OF LETTER.

3. BEGIN TEXT OF DRAFT NOTE: PROPOSED ACCOMPANYING NOTE. THE SECRETARY OF STATE PRESENTS HIS COMPLIMENTS TO HIS EXCELLENCY, THE AMBASSADOR OF IRAN, AND HAS THE HONOR TO REFER TO THE PROPOSED AGREEMENT FOR COOPERATION SIGNED TODAY BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE IMPERIAL GOVERNMENT OF IRAN, CONCERNING PEACEFUL USES OF NUCLEAR ENERGY ("THE AGREEMENT") OF WHICH THIS EXCHANGE OF NOTES SHALL BE AN INTEGRAL PART. (PARAGRAPH) IN THE COURSE OF NEGOTIATIONS LEADING TO THIS AGREEMENT FOR COOPERATION, UNDERSTANDINGS ON SEVERAL POINTS WERE REACHED. (PARAGRAPH) THE UNITED STATES FULLY UNDERSTANDS THAT IRAN PLANS A VIGOROUS NATIONAL NUCLEAR POWER PROGRAM WHICH WILL REQUIRE TIMELY CONFIDENTIAL

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DELIVERY OF NUCLEAR REACTORS AND AN ASSURED FUEL SUPPLY OF ENRICHED URANIUM FOR THESE REACTORS. RECOGNIZING IRAN'S LEADERSHIP ROLE IN THE FIELD OF NON-PROLIFERATION, IT IS THE INTENTION OF THE UNITED STATES TO EXERCISE ITS RIGHTS UNDER THE AGREEMENT IN A WAY THAT ASSURES THAT IRAN ENJOYS THE SAME BENEFITS AND OPPORTUNITIES AS MAY BE GENERALLY AVAILABLE TO OTHER COOPERATION STATES THAT ARE PARTIES TO THE NPT. (PARAGRAPH) IT IS THE POLICY OF THE UNITED STATES THAT NUCLEAR EXPORT LICENSES BE ISSUED PROMPTLY. IN PARTICULAR, THE UNITED STATES WISHES TO CONFIRM THE READINESS OF ITS EXECUTIVE BRANCH AND NUCLEAR REGULATORY COMMISSION TO PROCESS EXPEDITIOUSLY EXPORT LICENSE

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FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC IMMEDIATE 5892
INFO AMEMBASSY KATHMANDU

C O N F I D E N T I A L SECTION 3 OF 4 TEHRAN 11031

KATHMANDU FOR AMB SULLIVAN

DEPT ALSO PASS ACDA DO AND NRC

APPLICATIONS MADE PURSUANT TO THE AGREEMENT UPON THE SELECTION BY
IRAN OF A U.S. VENDOR. (PARAGRAPH) THE GOVERNMENT OF THE UNITED
STATES WISHES TO ASSURE THE GOVERNMENT OF IRAN THAT IT SHALL TAKE
SUCH ACTIONS AS MAY BE NECESSARY AND FEASIBLE TO ENSURE A RELIABLE
SUPPLY OF LOW-ENRICHED URANIUM TO THOSE NATIONS AND GROUPS OF
NATIONS WHICH MAY SEEK TO UTILIZE THE BENEFITS OF NUCLEAR ENERGY
FOR PEACEFUL PURPOSES, INCLUDING THE GENERATION OF ELECTRICITY, AND
WHICH ADHERE TO POLICIES DESIGNED TO PREVENT PROLIFERATION.
IN THIS REGARD, THE UNITED STATES NOTES THAT THE INCREASED U.S.
ENRICHMENT CAPACITY WHICH THE PRESIDENT HAS ORDERED TO BE
DEVELOPED WILL PERMIT THE UNITED STATES TO MEET NEW EXPORT DEMANDS.
ALSO, THE UNITED STATES SHALL, INTER ALIA, EXPLORE WITH OTHER CON-
CERNED GOVERNMENTS, INCLUDING THE GOVERNMENT OF IRAN, THOSE STEPS
THAT MAY BE NECESSARY TO PROMOTE INTERNATIONAL ARRANGEMENTS FOR
THE PROVISION OF NUCLEAR FUEL, INCLUDING THE CONCEPT OF AN INTER-
NATIONAL FUEL AUTHORITY WHICH WOULD PERMIT ACCESS BY CONSUMERS
WHO MEET ALL THEIR NON-PROLIFERATION COMMITMENTS TO FUEL,
SHOULD THEY ENCOUNTER DIFFICULTIES WITH INDIVIDUAL SUPPLIERS
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IN SATISFYING LEGITIMATE NUCLEAR FUEL NEEDS. SHOULD SUCH AN INTER-
NATIONAL AUTHORITY BE ESTABLISHED, THE UNITED STATES WOULD SUPPORT
IRANIAN ACCESS THERETO. (PARAGRAPH) THE UNITED STATES HAS ALSO
NOTED WITH PLEASURE, IRAN'S DESIRE TO EXERCISE LEADERSHIP IN
FURTHERANCE OF THE OBJECTIVES OF THE TREATY ON THE NON-PROLIFERATION
OF NUCLEAR WEAPONS, TO WHICH IRAN IS A PARTY, AND ITS INTENTION
TO CONDUCT ITS OVERALL FUEL CYCLE ACTIVITIES, PARTICULARLY THOSE
RELATING TO STORAGE, PROCESSING OR OTHER POSITION OF IRRADIATED
SPENT FUEL UNDER CONDITIONS WHICH DEMONSTRATE IN THE MOST EFF-

EFFECTIVE POSSIBLE WAY THAT SUCH ACTIVITIES ARE IN ACCORDANCE WITH THE OBJECTIVES OF THE TREATY. IN THIS REGARD, THE UNITED STATES IS PLEASED THAT IRAN INTENDS TO PARTICIPATE WITH OTHER CONCERNED COUNTRIES IN THE INTERNATIONAL FUEL CYCLE EVALUATION WHICH HAS, AS ONE OF ITS OBJECTIVES, DETERMINATION OF EFFECTIVE AND ECONOMICAL WAYS TO PROCESS OR DISPOSE OF IRRADIATED FUEL THAT BETTER MEET OUR JOINT NON-PROLIFERATION OBJECTIVES THAN CURRENT METHODS. (PARAGRAPH) THE UNITED STATES NOTES THAT IRAN PLANS TO STORE IRRADIATED FUEL COVERED BY THIS AGREEMENT FOR A PERIOD OF EIGHT TO TEN YEARS IN SHORT-TERM AND INTERMEDIATE-TERM STORAGE AND TO CONSULT CLOSELY WITH THE UNITED STATES AT SUCH TIME AS IT APPEARS THAT ANY MATERIAL COVERED BY THIS AGREEMENT REQUIRES SUBSEQUENT DISPOSITION. THE SPECIFIC ARRANGEMENTS THAT WOULD BE SELECTED WOULD TAKE INTO ACCOUNT IRAN'S CONTINUED ADHERENCE TO THE NON-PROLIFERATION TREATY AND THE NORMS THAT MAY EVOLVE FROM INTERNATIONAL STUDIES DESIGNED TO ESTABLISH MORE EFFECTIVE CONTROL MECHANISMS FOR DEALING WITH SPENT FUEL. (PARAGRAPH) IN LIGHT OF THESE CONSIDERATIONS, THE GOVERNMENT OF THE UNITED STATES IS PLEASED TO INFORM THE GOVERNMENT OF IRAN THAT, IN CONNECTION WITH ARTICLES 5 AND 6, IN THE EVENT IRAN WISHES TO ENTER INTO ARRANGEMENTS FOR LONG-TERM DISPOSITION OF IRRADIATED SPECIAL NUCLEAR MATERIAL RESULTING FROM MATERIAL WHICH HAS BEEN TRANSFERRED FROM THE UNITED STATES TO IRAN OR HAS BEEN USED IN U.S.-SUPPLIED EQUIPMENT, THE UNITED STATES

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AGREES TO APPROVED AND THE GOVERNMENT OF IRAN WOULD BE FREE TO CHOOSE FROM THE FOLLOWING ALTERNATIVES FOR LONG-TERM DISPOSITION. (PARAGRAPH) A. STORAGE OF SPENT FUEL IN IRAN; (PARAGRAPH) B. STORAGE OF SPENT FUEL IN THE U.S. FOR A FIXED FEE WITH REIMBURSEMENT TO

IRAN OF NET FUEL VALUE IF SUCH FUEL VALUE IS EXTRACTED (FUEL EQUIVALENT OR FINANCIAL COMPENSATION LESS PROCESSING COSTS); (PARAGRAPH) C. STORAGE, PROCESSING OTHER DISPOSITION OF SPENT FUEL IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED ARRANGEMENTS TO WHICH BOTH IRAN AND THE U.S. SUBSCRIBE. THIS ALTERNATIVE WOULD INCLUDE THE PROCESSING OF SPENT

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 5893

INFO AMEMBASSY KATHMANDU

C O N F I D E N T I A L SECTION 4 OF 4 TEHRAN 11031

KATHMANDU FOR AMB SULLIVAN

DEPT ALSO PASS ACDA DO AND NRC

FUEL IN THE UNITED KINGDOM OR FRANCE OR OTHER MUTUALLY AGREED
STAE AND RETURN OF RECOVERED PLUTONIUM IN THE FORM OF FAB-
RICATED FUEL TO IRAN, UNDER CONDITIONS OR ARRANGEMENTS WHICH ARE
DEEMED TO BE MORE PROLIFERATION RESISTANT THAN THOSE WHICH
CURRENTLY EXIST UTILIZING EXISTING TECHNOLOGY AND TO WHICH BOTH
IRAN AND THE UNITED STATES SUBSCRIBE. (PARAGRAPH) WITH RESPECT
TO THE FOREGOING, THE GOVERNMENT OF THE UNITED STATES RECOGNIZES
THAT AT THE TIME WHEN IRAN MAY WISH TO ENTER INTO ARRANGEMENTS
FOR LONG-TERM DISPOSITION OF SPENT FUEL, CONDITIONS COULD BE SUCH
THAT IRAN FINDS IT IMPRACTICABLE TO PROVIDE LONG-TERM STORAGE IN
IRAN. ALTERNATIVELY, NO INTERNATIONALLY ACCEPTED ARRANGEMENTS
FOR STORAGE, PROCESSING OR OTHER DISPOSITION TO WHICH BOTH IRAN AND
THE UNITED STATES SUBSCRIBE MAY BE AVAILABLE. FURTHERMORE, AT
THAT POINT IN TIME, CONDITIONS COULD BE SUCH THAT THE UNITED
STATES ALSO FINDS IT IMPRACTICABLE TO PROVIDE LONG-TERM STORAGE OF
SUCH SPENT FUEL IN THE UNITED STATES.

UNDER THESE CIRCUMSTANCES, THE GOVERNMENT OF THE UNITED STATES
WOULD BE PREPARED TO APPROVE THE REPROCESSING OF SUCH MATERIAL
IN THE UNITED KINGDOM OR FRANCE OR ANOTHER MUTUALLY AGREED
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STATE UTILIZING EXISTING TECHNOLOGY, WITH DISPOSITION OF ANY
RESULTING SEPARATED PLUTONIUM SUBJECT TO FUTURE AGREEMENT OF
THE PARTIES. (PARAGRAPH) NOTWITHSTANDING THE PREVIOUS TOW PARA-
GRAPHS, IF AT THE TIME WHEN THE NEED ARISES FOR IRAN TO ARRANGE FOR
LONG-TERM DISPOSITION OF ITS SPENT FUEL THE UNITED STATES IS
APPROVING THE REPROCESSING OF ANY OTHER COOPERATING STATE'S SPENT
FUEL AS A METHOD OF LONG-TERM DISPOSITION, THE UNITED STATES
WOULD BE PREPARED TO APPROVE REPROCESSING OF IRANIAN SPENT FUEL
IN THE UNITED KINGDOM OR FRANCE OR OTHER MUTUALLY AGREED STATE
UNDER ARRANGEMENTS WHICH AFFORD IRAN BENEFITS COMPARABLE TO THOSE
AFFORDED SUCH OTHER COOPERATING STATE AND UNDER TERMS AND CONDITIONS
NO LESS FAVORABLE THAN THOSE APPLICABLE TO SUCH OTHER COOPERATING

STATE. DISPOSITION OF ANY SEPARATED PLUTONIUM RESULTING FROM SUCH REPROCESSING WOULD BE SUBJECT TO AGREEMENT OF THE PARTIES. (PARAGRAPH) WITH SPECIFIC REFERENCE TO POSSIBLE IRANIAN PLUTONIUM REQUIREMENTS AS CONTEMPLATED BY PARAGRAPH 3 OF ARTICLE 4 OF THE AGREEMENT, THE GOVERNMENT OF THE UNITED STATES WOULD BE PREPARED TO CONSULT WITH THE GOVERNMENT OF IRAN IN ORDER TO SEEK WAYS TO MEET IRAN'S NEEDS. (PARAGRAPH) THE PARTIES AGREE THAT THEY SHALL, IN 1985, REVIEW THE UNDERSTADINGS SET FORTH ABOVE CONCERNING THE DISPOSITION OF IRRADIATED SPECIAL NUCLEAR MATERIAL AND THE USE OF PLUTONIUM, WITH A VIEW TO MAKING ANY MODIFICATIONS THAT MAY BE WARRANTED. (PARAGRAPH). THE GOVERNMENT OF THE UNITED STATES CONFIRMS THAT NOTHING IN THE AGREEMENT WOULD PRECLUDE IRAN FROM RECEIVING ANY POTENTIAL BENEFITS UNDER ARTICLE V OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS, WHICH WILL BE GOVERNED BY THAT TREATY, OTHER APPLICABLE INTERNATIONAL AGREEMENTS, AND THE COMESTIC LAWS AND REGULATORY REQUIREMENTS OF THE RESPECTIVE PARTIES. (PARAGRAPH) UPON RECEIPT OF HIS EXCELLENCY'S NOTE CONFIRMING THA THE IMPERIAL GOVERNMENT OF IRAN SHARES THE ABOVE UNDERSTANDINGS, AND SHALL BE AN INTEGRAL PART OF THE AGREEMENT.

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